

FOR ALLEN COUNTY, KENTUCKY
Community, Town or City

P.S.C. KY. NO. 2009-00188

SHEET NO. _____

ALLEN COUNTY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

TARIFF AS TO INCREASE IN WHOLESALE WATER RATE

KRS 278.015(2) AND 807 KAR 5:068 provides essentially the manner in which a Water District may implement a Purchase Water Adjustment designed to recover the actual cost of water purchased by a Water District from a wholesale supplier.

The Allen County Water District purchases substantially all of its water from the Glasgow Water and Sewer Commission of Glasgow, Kentucky. By its Ordinance No. 2633, the City of Glasgow, Kentucky, established new rates for the Glasgow Water and Sewer Commission to charge increased new wholesale rates to be charged to its customers, including the Allen County Water District, effective July 1, 2008 (\$1.40 per 1,000 gallons to \$1.75 per 1,000 gallons) AND effective July 1, 2009 (\$1.75 per 1000 gallons to \$1.95 per 1,000 gallons). A copy of said Ordinance is attached hereto as a part hereof.

The Allen County Water District was notified of this increase by a letter from the Glasgow Water Company, dated May 16, 2008. A copy of said letter is filed herewith as a part hereof.

By Letter to the Allen County Water District from its Engineer, Kenvirons, Inc., dated July 25, 2008, the Water District was informed as follows:

"The indication is that the district could absorb the increased purchased water cost relative to the \$1.75 per thousand gallons rated along with the adjustments to the 2007 expenses. Next year the rate will increase to \$1.95. Based on the same parameters, the purchased water cost will increase an additional \$69,092, which would cause a negative net income of approximately \$41,000. The above calculations do not consider any customer growth, which would generate a small amount of additional revenues. The conclusion is that the district would absorb the initial \$1.75 per thousand rate, but not the \$1.95 that is proposed to be effective next year. The \$1.75 rate results in an increase in customer rate of \$0.41 per thousand gallons. The \$1.95 rate result in an additional \$0.23 per thousand gallons for a total of \$0.64 per thousand gallons."

DATE OF ISSUE JUNE 16, 2009
Month / Date / Year

DATE EFFECTIVE JUNE 30, 2009
Month / Date / Year

ISSUED BY John H. Jones
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00188 DATED _____

FOR ALLEN COUNTY, KENTUCKY
Community, Town or City

P.S.C. KY. NO. 2009-00188

SHEET NO. _____

ALLEN COUNTY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

The current wholesale base rate of the City of Glasgow is \$1.40 per thousand gallons. The changed rate of the City of Glasgow is \$1.75 per thousand gallons, effective July 1, 2008, as shown on the City of Glasgow's Ordinance No. 2633.

The twelve month period upon which the purchased water adjustment is April, 2008 through March, 2009.

Gallons purchased by Allen County Water District from City of Glasgow during the 12 month period is 347,791,400; from the City of Scottsville is 8,943,800; a total of 356,735,200 gallons.

Total gallons sold by Allen County Water District for the 12 month period is 295,078,700.

The annual increased water cost is \$121,726.99 [347,791,400 gallons x \$0.35 per 1000 gallons = \$121,726.99]. (\$1.75 less \$1.40 = \$0.35)

The purchased water adjustment factor is, therefore, \$0.41 per 1000 gallons (\$121,726.99 divided by 295,078.700 gallons = \$0.41 per 1000 gallons)

The adjusted rates effective June 30, 2009, are as follows:

	<u>EXISTING RATE</u>	<u>ADJUSTED RATE</u>
First 2,000 gallons	\$16.17 (Min.)	\$16.99 (Min)
Next 3,000 gallons	\$ 6.21 Per 1,000 Gals.	\$ 6.62 Per 1,000 Gals.
Next 5,000 gallons	\$ 5.16 per 1,000 Gals.	\$ 5.57 Per 1,000 Gals.
Next 60,000 gallons	\$ 4.66 per 1,000 Gals.	\$ 5.07 per 1,000 Gals.
Over 70,000 gallons	\$ 4.21 per 1,000 Gals.	\$ 4.62 per 1,000 Gals.
<u>Corps of Engineers</u>		
First 55,000 gallons		\$317.35 Minimum Bill
Next 15,000 gallons		\$ 5.07 per 1,000 gallons
Over 70,000 gallons		\$ 4.62 per 1,000 gallons
<u>Mobile Home Parks</u>		
First 10,000 gallons		\$ 58.80 Minimum Bill
Next 60,000 gallons		\$ 5.07 per 1,000 gallons
Over 70,000 gallons		\$ 4.62 per 1,000 gallons

DATE OF ISSUE JUNE 16, 2009
Month / Date / Year

DATE EFFECTIVE JUNE 30, 2009

ISSUED BY John H. Jones
Month / Date / Year
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00188 DATED _____

FOR ALLEN COUNTY, KENTUCKY
Community, Town or City

P.S.C. KY. NO. 2009-00188

SHEET NO.

ALLEN COUNTY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

RATES AND CHARGES

The calculation of the Wholesale Water Rate increase is attached hereto as a part hereof, marked Exhibit No. 1.

A copy of the Glasgow Water Company's Notices, dated May 16, 2008 and May 29, 2009 of the changed rates showing the effective dates of the increase are attached as Exhibit No. 2.

DATE OF ISSUE JUNE 16, 1009
Month / Date / Year

DATE EFFECTIVE JUNE 30, 2009
Month / Date / Year

ISSUED BY John D. Jones
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00188 DATED